



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Norberto Duenas

**SUBJECT: COMMUNITY ACTION AND
PRIDE GRANT PROGRAM
HISTORY AND UPDATE**

DATE: 05-28-08

Approved

Christine J. Shippey

Date

5-28-08

BACKGROUND

At the Neighborhood Services and Education Committee on May 8, 2008, Council Member Nguyen requested a Community Action and Pride (CAP) grant history and information update. The purpose of this memorandum is to provide the requested information.

The CAP grant program's mission is to promote the development of new and/or healthy and self-reliant neighborhoods by supporting residents to: unify for action; actualize their collective power; and create community based solutions to meet long term neighborhood challenges. The CAP program provides financial support to help resident-based groups conduct activities that build or strengthen the neighborhood organization, organize neighborhood projects to improve neighborhood conditions, and organize and conduct activities that address issues important to neighborhood quality of life.

In July 2003, the Office of the City Auditor performed an audit of the Neighborhood Development Center (NDC) and CAP grant program of the Parks, Recreation and Neighborhood Services Department (PRNS). At the time of the audit, about \$500,000 from the General Fund was allocated for the CAP Grant, of which approximately \$400,000 was for grant awards and \$100,000 for administrative expenses.

The audit included a review of CAP grant awards from 2000 – 2002. During this time, awards ranged from \$100 to \$50,000, with an average grant amount close to \$10,000. Currently, the minimum grant request is \$500 and the maximum request is \$15,000. As requests for grant funding total more than funding available each cycle, a maximum grant request has been established to increase the number of grants that can be awarded each year.

Following the 2006 Citywide Grants Audit and the January 2006 Civil Grand Jury CAP program review, PRNS developed policies and procedures aimed at improving oversight

and increasing monitoring of CAP grant funds. As part of the changes, neighborhood groups with outstanding or incomplete CAP grants from previous cycles were not eligible to apply for CAP funding until the previous CAP cycle's projects were closed. This resulted in \$183,000 being returned to the City during a five-month period in which neighborhood groups closed out their grants and returned unspent funds. At this time, there are 36 outstanding CAP grants from previous funding cycles 14 – 19.

In 2006-2007, the Mayor and City Council approved the transfer of the NDC from PRNS to the Strong Neighborhoods Team under the direction of the City Manager's Office. CAP program oversight was officially transferred to the Strong Neighborhoods Team in May 2007. Strong Neighborhoods staff issued its first CAP grant cycle, Cycle 22, in April 2008. 72 neighborhood groups submitted Cycle 22 applications, totaling \$735,173 in funding requested. The CAP Grant Committee is in the process of reviewing applications and is likely to make funding decisions in late June 2008. In addition to administering new grants, Strong Neighborhoods staff continue to work with neighborhood groups to reconcile outstanding grants.

ANALYSIS

The Proposed 2008-2009 Operating Budget includes an action to eliminate ongoing funding for the CAP grant program. At the end of 2007-2008, approximately \$700,000 in program funding is estimated to remain unspent after the Cycle 22 awards and a portion of funding is potentially used for a grants database project. Those remaining funds will be used to fund grants over the next three years. In year 4, a revised ongoing funding level will be considered and brought forward for City Council approval, as appropriate.

The City has granted an average of less than \$200,000 per grant cycle for the last three cycles. Funding requests are consistently higher than funding available and have ranged from \$746,000 in 2004-2005 to \$271,000 in 2007-2008 for Cycle 21. Currently, the CAP grant program is administered by existing NDC staff, with a budget of approximately \$50,000 annually for administrative expenses.

CONCLUSION

The CAP program provides assistance to neighborhood groups interested in improving the quality of life in their neighborhoods through collective action. As the ongoing funding for this program is recommended to be eliminated in the 2008-2009 Proposed Operating budget, the program is expected to continue for approximately three more cycles with carry-over funding. Staff will continue to carefully manage the program and work with neighborhood groups to reconcile outstanding grants. In addition, staff will provide the Neighborhood Services and Education Committee with periodic reports.

HONORABLE MAYOR AND CITY COUNCIL

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COORDINATION

The information in this memorandum has been coordinated with PRNS.

A handwritten signature in black ink, appearing to read "Norberto Duenas", is positioned above the printed name and title.

NORBERTO DUENAS

Deputy City Manager